

Message Text

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PAGE 01 PANAMA 09106 221753Z

ACTION ARA-14

INFO OCT-01 ISO-00 L-03 EB-08 SP-02 CIAE-00 INR-07

NSAE-00 TRSE-00 COME-00 IGA-02 AID-05 OPIC-03

/045 W

-----127168 221758Z /43

P 221740Z DEC 77

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC PRIORITY 5019

LIMITED OFFICIAL USE PANAMA 9106

E.O. 11652: N/A

TAGS: EINV, BDIS, PN

SUBJECT: EXPROPRIATION: CITRICOS DE CHIRIQUI S.A. AND BOSTON-
PANAMA

REF: A) PANAMA 8733; B) STATE 298827

BEGIN UNCLASSIFIED

1. THE FOLLOWING LETTER DATED DECEMBER 10, 1977, ADDRESSED
TO MR. DANIEL K. LUDWIG, CHAIRMAN OF THE BOARD, CITRICOS DE
CHIRIQUI, S.A., DAVID, CHIRIQUI, FROM MINISTER OF PLANNING
NICOLAS ARDITO BARLETTA, WAS DELIVERED TO USAID MISSION ON
DECEMBER 20. PLEASE PASS TEXT TO LUDWIG'S LEGAL REP, RAGAN
& MASAN.

2. QUOTE: DEAR MR. LUDWIG: I WOULD LIKE TO REAFFIRM
IN THE NAME OF OUR GOVERNMENT OUR DISPOSITION TO CONTINUE
NEGOTIATIONS FOR THE PURCHASE AND TRANSFER OF THE ASSETS OF
CITRICOS DE CHIRIQUI. WE HAVE BEEN WAITING FOR YOUR INDICATIONS
TO RESUME CONVERSATIONS AFTER OUR LAST OFFER, BUT WE HAVE
HAD NO WORD FROM YOU.

AS YOU REMEMBER, THE GOVERNMENT OF PANAMA UNDERTOOK TO
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OPERATE AT ITS OWN COST THE FACILITIES AND PLANTATIONS
IN POTRERILLOS FOR REASONS OF NATIONAL INTEREST AFTER
THE BREAKDOWN IN CONVERSATIONS. THE PLANT HEALTH PROBLEMS
AND THE UNEMPLOYMENT SITUATION WHICH HAVE BEEN CREATED BY
ABANDONING OPERATIONS WOULD HAVE HAD SERIOUS AGRICULTURAL
AND POLITICAL EFFECTS IN A VERY SENSITIVE AREA OF THE
COUNTRY. YOUR FIRM MUST BE CONSCIOUS OF THE EFFORTS OF

OUR GOVERNMENT IN TAKING UPON ITS SHOULDERS THE OPERATION OF THIS ENTERPRISE TO KEEP IT AFLOAT AND THE IMPROVEMENTS THAT HAVE BEEN MADE WITH A GREAT EFFORT.

THE GOVERNMENT IS FIRMLY COMMITTED TO CONTINUE CONVERSATIONS AND NEGOTIATIONS IN THE HOPE OF REACHING A SATISFACTORY SETTLEMENT IN A NOT TOO DISTANT FUTURE. WE ARE CONFIRMING HERewith THAT WE ARE AVAILABLE FOR TALKS WITH YOU OR YOUR REPRESENTATIVE AT ANY TIME BUT ESPECIALLY EARLY ON THE FIRST WEEK OF EACH MONTH INDEFINITELY. WE ARE HOPING THAT YOU AVAIL YOURSELVES OF THIS OPPORTUNITY SO THAT WE CAN SUCCESSFULLY CONCLUDE THE TRANSFER WHICH IS WANTED AS MUCH BY YOUR FIRM AS BY US. SINCERELY YOURS, NICOLAS ARDITO BARLETTA, MINISTER. END QUOTE.

END UNCLASSIFIED

3. HOPEFULLY BARLETTA'S LETTER WILL RE-ESTABLISH DIALOGUE WITH CITRICOS AND BE CONDUCIVE TO AMICABLE SETTLEMENT. OTHERWISE, EMBASSY STILL BELIEVES THAT LUDWIG MUST AT LEAST TRY TO PURSUE LEGAL REMEDY IN PANAMA (WHICH CITRICOS AGREED TO ANYWAY--REF B) BEFORE CONSIDERATION OF ANY FORMAL ACTIONS BY STATE/EMBASSY. IT SHOULD BE RECALLED THAT CITRICOS NEVER DISCUSSED ITS PROBLEMS WITH EMBASSY AND APPARENTLY ONLY RECENTLY WITH THE DEPARTMENT.

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4. BOSTON-PANAMA. EMBASSY SHARES DEPARTMENT'S CONCERN OVER THIS LONG-OUTSTANDING ONE. AMBASSADOR EXPLORING EVERY EXPEDITIOUS AVENUE IN ALERTING PROMPTLY GENERAL TORRIJOS OF SERIOUSNESS THIS MATTER. AMBASSADOR WILL MEET ON THIS MATTER WITH PANAMANIAN AMBASSADOR GABRIEL LEWIS WHO IS EXPECTED FROM WASHINGTON VERY SHORTLY.

JORDEN

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Disposition Comment: 25 YEAR REVIEW
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